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ANNUAL STATEMENT

For the Year Ending DECEMBER 31, 2016

OF THE CONDITION AND AFFAIRS OF THE

HAP Midwest Health Plan, Inc.

NAIC Group Code 1311 (Current Period), 1311 (Prior Period) NAIC Company Code 95814 Employer's ID Number 38-3123777

Organized under the Laws of Michigan , State of Domicile or Port of Entry MI

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[ ] Property/Casualty[ ] Hospital, Medical & Dental Service or Indemnity[ ]
Dental Service Corporation[ ] Vision Service Corporation[ ] Health Maintenance Organization[X]
Other[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]

Incorporated/Organized 01/01/1994 Commenced Business 01/01/1994

Statutory Home Office 2850 West Grand Blvd (Street and Number) , Detroit, MI, 48202 (City or Town, State, Country and Zip Code)

Main Administrative Office 2850 West Grand Blvd (Street and Number)

Detroit, MI, 48202 (City or Town, State, Country and Zip Code) (888)654-2200 (Area Code) (Telephone Number)

Mail Address PO Box 2578 (Street and Number or P.O. Box) , Detroit, MI, 48202 (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 2850 West Grand Blvd (Street and Number)

Detroit, MI, 48202 (City or Town, State, Country and Zip Code) (888)654-2200 (Area Code) (Telephone Number)

Internet Website Address www.Hap.org\midwest

Statutory Statement Contact Dianna L. Ronan, CPA (Name) (248)443-1093 (Area Code)(Telephone Number)(Extension)

dronan@hap.org (E-Mail Address) (248)443-8610 (Fax Number)

OFFICERS

Name	Title
Michael Genord MD	President
Wright Lassiter III	Chairman
Dan Champney	Secretary
Todd Hutchinson	Treasurer

OTHERS

Mark H. Tucker MD

DIRECTORS OR TRUSTEES

Dan E. Champney
Todd Hutchison
Wright L. Lassiter III
Michael A. Genord MD
Teresa L. Kline #
Mary Ann Tournoux

State of Michigan
County of Wayne ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)	(Signature)	(Signature)
Michael Genord, MD	Dan Champney	Todd Hutchison
(Printed Name)	(Printed Name)	(Printed Name)
1.	2.	3.
President	Secretary	Treasurer
(Title)	(Title)	(Title)

Subscribed and sworn to before me this
______ day of ______ , 2017

a. Is this an original filing? Yes[X] No[ ]
b. If no, 1. State the amendment number
2. Date filed
3. Number of pages attached

(Notary Public Signature)

ASSETS

	Current Year 1 Assets	Current Year 2 Nonadmitted Assets	Current Year 3 Net Admitted Assets (Cols.1-2)	Prior Year 4 Net Admitted Assets
1. Bonds (Schedule D)	1,027,117		1,027,117	36,132,587
2. Stocks (Schedule D):				
2.1 Preferred stocks				
2.2 Common Stocks				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less $...............0 encumbrances)				
4.2 Properties held for the production of income (less $...............0 encumbrances)				
4.3 Properties held for sale (less $...............0 encumbrances)				
5. Cash ($.......7,725,158, Schedule E Part 1), cash equivalents ($...............0, Schedule E Part 2) and short-term investments ($......64,933,639, Schedule DA)	72,658,797		72,658,797	126,422,230
6. Contract loans (including $...............0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	73,685,914		73,685,914	162,554,816
13. Title plants less $...............0 charged off (for Title insurers only)				
14. Investment income due and accrued	19,261		19,261	217,783
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection				590,986
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including $...............0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums ($...............0) and contracts subject to redetermination ($...............0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	820,137		820,137	1,212,301
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	2,604,892		2,604,892	3,042,000
18.1 Current federal and foreign income tax recoverable and interest thereon	572,477		572,477	1,160,014
18.2 Net deferred tax asset	2,205,570	485,167	1,720,403	2,899,605
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	369,769	369,769		
21. Furniture and equipment, including health care delivery assets ($...............0)				
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates				
24. Health care ($.......1,939,023) and other amounts receivable	6,006,186		6,006,186	8,947,788
25. Aggregate write-ins for other than invested assets	1,010,831	1,010,831		0
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	87,295,036	1,865,767	85,429,269	180,625,294
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	87,295,036	1,865,767	85,429,269	180,625,294
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Assets	1,010,831	1,010,831		0
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,010,831	1,010,831		0

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less $..............0 reinsurance ceded)	26,764,445		26,764,445	74,415,625
2.	Accrued medical incentive pool and bonus amounts	1,182,069		1,182,069	2,615,681
3.	Unpaid claims adjustment expenses	778,491		778,491	1,863,283
4.	Aggregate health policy reserves, including the liability of $..............0 for medical loss ratio rebate per the Public Health Service Act				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserves				
7.	Aggregate health claim reserves				
8.	Premiums received in advance	2,470,411		2,470,411	6,950,330
9.	General expenses due or accrued	960,680		960,680	4,049,755
10.1	Current federal and foreign income tax payable and interest thereon (including $..............0 on realized capital gains (losses))				
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including $..............0 current) and interest thereon $..............0 (including $..............0 current)				
15.	Amounts due to parent, subsidiaries and affiliates	26,410,120		26,410,120	1,075,253
16.	Derivatives				
17.	Payable for securities				527,592
18.	Payable for securities lending				
19.	Funds held under reinsurance treaties (with $..............0 authorized reinsurers, $..............0 unauthorized reinsurers and $..............0 certified reinsurers)				
20.	Reinsurance in unauthorized and certified ($..............0) companies				
21.	Net adjustments in assets and liabilities due to foreign exchange rates				
22.	Liability for amounts held under uninsured plans				
23.	Aggregate write-ins for other liabilities (including $..............0 current)	2,551,315		2,551,315	31,765,207
24.	TOTAL Liabilities (Lines 1 to 23)	61,117,531		61,117,531	123,262,725
25.	Aggregate write-ins for special surplus funds	XXX	XXX		
26.	Common capital stock	XXX	XXX	186,230	186,230
27.	Preferred capital stock	XXX	XXX		
28.	Gross paid in and contributed surplus	XXX	XXX	33,770	33,770
29.	Surplus notes	XXX	XXX		
30.	Aggregate write-ins for other than special surplus funds	XXX	XXX		
31.	Unassigned funds (surplus)	XXX	XXX	24,091,738	57,142,569
32.	Less treasury stock, at cost:				
	32.1 ....0 shares common (value included in Line 26 $..............0)	XXX	XXX		
	32.2 ....0 shares preferred (value included in Line 27 $..............0)	XXX	XXX		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	24,311,738	57,362,569
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33)	XXX	XXX	85,429,269	180,625,294
DETAILS OF WRITE-INS					
2301.	Liability - State Tax Refunds	2,551,315		2,551,315	4,468,882
2302.	Unearned Proceeds from Membership Transfer				27,296,325
2303.					
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	2,551,315		2,551,315	31,765,207
2501.	Health Insurance Providers Fee 2015 Reserve	XXX	XXX		
2502.		XXX	XXX		
2503.		XXX	XXX		
2598.	Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	XXX	XXX		
3001.		XXX	XXX		
3002.		XXX	XXX		
3003.		XXX	XXX		
3098.	Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	XXX	XXX		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	96,690	1,170,468
2.	Net premium income (including $...............0 non-health premium income)	X X X	122,454,548	502,842,558
3.	Change in unearned premium reserves and reserve for rate credits	X X X		
4.	Fee-for-service (net of $...............0 medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X	(11,196)	(923,926)
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	TOTAL Revenues (Lines 2 to 7)	X X X	122,443,352	501,918,633
Hospital and Medical:				
9.	Hospital/medical benefits		39,105,792	257,456,660
10.	Other professional services		44,829,364	51,132,953
11.	Outside referrals		3,171,694	6,365,342
12.	Emergency room and out-of-area		5,671,532	27,680,144
13.	Prescription drugs		10,729,288	57,441,113
14.	Aggregate write-ins for other hospital and medical			
15.	Incentive pool, withhold adjustments and bonus amounts		519,258	4,944,855
16.	Subtotal (Lines 9 to 15)		104,026,928	405,021,067
Less:				
17.	Net reinsurance recoveries		1,246,766	1,250,564
18.	TOTAL Hospital and Medical (Lines 16 minus 17)		102,780,162	403,770,503
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $.......1,848,453 cost containment expenses		3,138,286	6,077,398
21.	General administrative expenses		14,685,556	49,048,806
22.	Increase in reserves for life and accident and health contracts (including $...............0 increase in reserves for life only)			
23.	TOTAL Underwriting Deductions (Lines 18 through 22)		120,604,004	458,896,706
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	1,839,348	43,021,926
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		630,159	452,138
26.	Net realized capital gains (losses) less capital gains tax of $...............0		301,695	(43,728)
27.	Net investment gains (losses) (Lines 25 plus 26)		931,854	408,409
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $...............0) (amount charged off $...............0)]			
29.	Aggregate write-ins for other income or expenses		30,507,300	
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	33,278,502	43,430,336
31.	Federal and foreign income taxes incurred	X X X	10,287,537	15,946,981
32.	Net income (loss) (Lines 30 minus 31)	X X X	22,990,965	27,483,354
DETAILS OF WRITE-INS				
0601.	Revenue-Other	X X X		
0602.	Management Fee Income	X X X		172,249
0603.	Child & Adolescent Health Center Fee	X X X	(11,196)	(1,096,174)
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(11,196)	(923,926)
0701.		X X X		
0702.		X X X		
0703.		X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)			
2901.	Membership Transfer Gain		30,507,300	
2902.				
2903.				
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above)		30,507,300	

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL & SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	57,362,569	39,760,659
34.	Net income or (loss) from Line 32	22,990,965	27,483,354
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $..............0		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax	(1,251,845)	850,000
39.	Change in nonadmitted assets	128,235	(164,431)
40.	Change in unauthorized and certified reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in		
	44.2 Transferred from surplus (Stock Dividend)		
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in		
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders	(54,700,000)	(10,000,000)
47.	Aggregate write-ins for gains or (losses) in surplus	(218,187)	(567,014)
48.	Net change in capital and surplus (Lines 34 to 47)	(33,050,832)	17,601,910
49.	Capital and surplus end of reporting year (Line 33 plus 48)	24,311,737	57,362,569
DETAILS OF WRITE-INS			
4701.	Correction of Immaterial Error - State Tax		(902,094)
4702.	Correction of Immaterial Error - Tax	(218,187)	335,081
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	(218,187)	(567,014)

CASH FLOW

			1 Current Year	2 Prior Year
		Cash from Operations		
1.		Premiums collected net of reinsurance	118,565,615	509,406,513
2.		Net investment income	1,017,259	695,155
3.		Miscellaneous income	(11,196)	(923,919)
4.		TOTAL (Lines 1 through 3)	119,571,679	509,177,750
5.		Benefit and loss related payments	151,472,790	379,083,944
6.		Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.		Commissions, expenses paid and aggregate write-ins for deductions	22,471,155	56,142,177
8.		Dividends paid to policyholders		
9.		Federal and foreign income taxes paid (recovered) net of $..............0 tax on capital gains (losses)	9,700,000	16,795,327
10.		TOTAL (Lines 5 through 9)	183,643,944	452,021,448
11.		Net cash from operations (Line 4 minus Line 10)	(64,072,266)	57,156,301
		Cash from Investments		
12.		Proceeds from investments sold, matured or repaid:		
	12.1	Bonds	48,179,688	28,524,835
	12.2	Stocks		
	12.3	Mortgage loans		
	12.4	Real estate		
	12.5	Other invested assets		
	12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
	12.7	Miscellaneous proceeds		527,718
	12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	48,179,688	29,052,553
13.		Cost of investments acquired (long-term only):		
	13.1	Bonds	12,958,567	49,156,377
	13.2	Stocks		
	13.3	Mortgage loans		
	13.4	Real estate		
	13.5	Other invested assets		
	13.6	Miscellaneous applications	829,287	0
	13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	13,787,854	49,156,378
14.		Net increase (decrease) in contract loans and premium notes		
15.		Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	34,391,834	(20,103,825)
		Cash from Financing and Miscellaneous Sources		
16.		Cash provided (applied):		
	16.1	Surplus notes, capital notes		
	16.2	Capital and paid in surplus, less treasury stock		
	16.3	Borrowed funds		
	16.4	Net deposits on deposit-type contracts and other insurance liabilities		
	16.5	Dividends to stockholders	30,000,000	10,000,000
	16.6	Other cash provided (applied)	5,916,999	25,616,917
17.		Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(24,083,001)	15,616,917
		RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.		Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(53,763,432)	52,669,394
19.		Cash, cash equivalents and short-term investments:		
	19.1	Beginning of year	126,422,230	73,752,836
	19.2	End of year (Line 18 plus Line 19.1)	72,658,797	126,422,230

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001			

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Net premium income	122,454,548						86,256,175	36,198,373		
2. Change in unearned premium reserves and reserve for rate credit										
3. Fee-for-service (net of $..............0 medical expenses)										XXX
4. Risk revenue										XXX
5. Aggregate write-ins for other health care related revenues	(11,196)							(11,196)		XXX
6. Aggregate write-ins for other non-health care related revenues		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
7. TOTAL Revenues (Lines 1 to 6)	122,443,352						86,256,175	36,187,177		
8. Hospital/medical benefits	39,105,792						37,130,186	1,975,606		XXX
9. Other professional services	44,829,364						22,576,725	22,252,640		XXX
10. Outside referrals	3,171,694						783,074	2,388,620		XXX
11. Emergency room and out-of-area	5,671,532						5,590,265	81,267		XXX
12. Prescription drugs	10,729,288						10,333,617	395,671		XXX
13. Aggregate write-ins for other hospital and medical										XXX
14. Incentive pool, withhold adjustments and bonus amounts	519,258						338,417	180,841		XXX
15. Subtotal (Lines 8 to 14)	104,026,928						76,752,284	27,274,644		XXX
16. Net reinsurance recoveries	1,246,766						737,970	508,796		XXX
17. TOTAL Hospital and Medical (Lines 15 minus 16)	102,780,162						76,014,314	26,765,848		XXX
18. Non-health claims (net)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19. Claims adjustment expenses including $.......1,488,976 cost containment expenses	3,138,286						1,947,811	1,190,474		
20. General administrative expenses	14,685,556						8,873,362	5,812,193		
21. Increase in reserves for accident and health contracts										XXX
22. Increase in reserves for life contracts		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23. TOTAL Underwriting Deductions (Lines 17 to 22)	120,604,004						86,835,488	33,768,516		
24. Net underwriting gain or (loss) (Line 7 minus Line 23)	1,839,348						(579,313)	2,418,661		
DETAILS OF WRITE-INS										
0501. Revenue - Other										XXX
0502. Management Fee Income - Related Party										XXX
0503. Child & Adolescent Health Center Fee	(11,196)							(11,196)		XXX
0598. Summary of remaining write-ins for Line 5 from overflow page										XXX
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	(11,196)							(11,196)		XXX
0601.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698. Summary of remaining write-ins for Line 6 from overflow page		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)		XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
1301.										XXX
1302.										XXX
1303.										XXX
1398. Summary of remaining write-ins for Line 13 from overflow page										XXX
1399. TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above)										XXX

UNDERWRITING AND INVESTMENT EXHIBIT
PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Columns 1 + 2 - 3)
1. Comprehensive (hospital and medical)				
2. Medicare Supplement				
3. Dental only				
4. Vision only				
5. Federal Employees Health Benefits Plan				
6. Title XVIII - Medicare	87,099,110			87,099,110
7. Title XIX - Medicaid	36,243,933			36,243,933
8. Other health			888,495	(888,495)
9. Health subtotal (Lines 1 through 8)	123,343,043		888,495	122,454,548
10. Life				
11. Property/casualty				
12. TOTALS (Lines 9 to 11)	123,343,043		888,495	122,454,548

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	152,182,458	126,547					79,187,748	72,868,163		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	152,182,458	126,547					79,187,748	72,868,163		
2. Paid medical incentive pools and bonuses	218,100						218,100			
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	26,764,445	22,380					15,154,170	11,587,895		
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	26,764,445	22,380					15,154,170	11,587,895		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct										
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net										
5. Accrued medical incentive pools and bonuses, current year	1,182,069						1,182,069			
6. Net healthcare receivables (a)	1,023,608						706,290	317,319		
7. Amounts recoverable from reinsurers December 31, current year	1,638,930						181,989	1,456,941		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	74,415,625	427,658					15,263,837	58,724,130		
8.2 Reinsurance assumed										
8.3 Reinsurance ceded										
8.4 Net	74,415,625	427,658					15,263,837	58,724,130		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct										
9.2 Reinsurance assumed										
9.3 Reinsurance ceded										
9.4 Net										
10. Accrued medical incentive pools and bonuses, prior year	2,615,680	94,578					505,683	2,015,419		
11. Amounts recoverable from reinsurers December 31, prior year	1,212,301	5,641					174,917	1,031,743		
12. Incurred benefits:										
12.1 Direct	103,507,670	(278,731)					78,371,791	25,414,610		
12.2 Reinsurance assumed										
12.3 Reinsurance ceded	426,629	(5,641)					7,072	425,198		
12.4 Net	103,081,041	(273,090)					78,364,719	24,989,411		
13. Incurred medical incentive pools and bonuses	(1,215,511)	(94,578)					894,486	(2,015,419)		

(a) Excludes $..............0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Compre-hensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	3,708,234						757,382	2,950,852		
1.2 Reinsurance assumed										
1.3 Reinsurance ceded										
1.4 Net	3,708,234						757,382	2,950,852		
2. Incurred but Unreported:										
2.1 Direct	22,906,570	22,380					14,247,147	8,637,043		
2.2 Reinsurance assumed										
2.3 Reinsurance ceded										
2.4 Net	22,906,570	22,380					14,247,147	8,637,043		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	149,640						149,640			
3.2 Reinsurance assumed										
3.3 Reinsurance ceded										
3.4 Net	149,640						149,640			
4. TOTALS										
4.1 Direct	26,764,445	22,380					15,154,170	11,587,895		
4.2 Reinsurance assumed										
4.3 Reinsurance ceded										
4.4 Net	26,764,445	22,380					15,154,170	11,587,895		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	Line of Business	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical)	126,547		21,111		147,658	427,658
2.	Medicare Supplement						
3.	Dental only						
4.	Vision only						
5.	Federal Employees Health Benefits Plan						
6.	Title XVIII - Medicare	18,542,260	58,926,710	2,500,000	12,029,170	21,042,260	15,263,837
7.	Title XIX - Medicaid	50,960,787	21,907,375	2,400,000	9,712,895	53,360,787	58,724,130
8.	Other health						
9.	Health subtotal (Lines 1 to 8)	69,629,594	80,834,085	4,921,111	21,742,065	74,550,705	74,415,625
10.	Healthcare receivables (a)		(1,004,444)				
11.	Other non-health						
12.	Medical incentive pool and bonus amounts	177,060	41,040	2,438,621	(1,256,551)	2,615,681	2,615,681
13.	TOTALS (Lines 9 - 10 + 11 + 12)	69,806,654	81,879,569	7,359,731	20,485,514	77,166,385	77,031,306

(a) Excludes $..............0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	23,176	23,833	23,821	23,819	23,819
2. 2012	210,542	246,309	246,347	246,341	246,341
3. 2013	XXX	224,948	259,650	259,908	259,908
4. 2014	XXX	XXX	258,597	298,198	298,198
5. 2015	XXX	XXX	XXX	341,249	341,249
6. 2016	XXX	XXX	XXX	XXX	69,392

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	(911,739)	(911,864)	(911,876)	23,819	23,819
2. 2012	242,448	247,035	246,347	246,341	246,341
3. 2013	XXX	262,158	260,550	259,909	259,908
4. 2014	XXX	XXX	310,059	298,626	298,198
5. 2015	XXX	XXX	XXX	417,853	341,249
6. 2016	XXX	XXX	XXX	XXX	69,392

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2012	274,497	246,341			246,341	89.743			246,341	89.743
2. 2013	294,580	259,908			259,908	88.230			259,908	88.230
3. 2014	383,497	298,198			298,198	77.758			298,198	77.758
4. 2015	504,902	341,249			341,249	67.587		1,863	343,113	67.956
5. 2016	118,454	69,392			69,392	58.581			69,392	58.581

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Hospital and Medical

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012	330	377	378	378	378
3. 2013	XXX	628	799	799	799
4. 2014	XXX	XXX	1,500	1,707	1,707
5. 2015	XXX	XXX	XXX	1,992	1,992
6. 2016	XXX	XXX	XXX	XXX	

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior					
2. 2012	423	386	378	378	378
3. 2013	XXX	912	810	800	799
4. 2014	XXX	XXX	1,916	1,725	1,707
5. 2015	XXX	XXX	XXX	2,496	1,992
6. 2016	XXX	XXX	XXX	XXX	

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2012	639	378			378	59.155			378	59.155
2. 2013	1,481	799			799	53.950			799	53.950
3. 2014	3,246	1,707			1,707	52.588			1,707	52.588
4. 2015	3,351	1,992			1,992	59.445			1,992	59.445
5. 2016										

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	553	540	540	540	540
2. 2012	4,729	5,995	6,026	6,026	6,026
3. 2013	XXX	7,296	8,485	8,485	8,485
4. 2014	XXX	XXX	10,086	11,800	11,800
5. 2015	XXX	XXX	XXX	33,882	33,882
6. 2016	XXX	XXX	XXX	XXX	47,108

Section B - Incurred Health Claims

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2012	2 2013	3 2014	4 2015	5 2016
1. Prior	620	540	540	540	540
2. 2012	5,958	6,042	6,026	6,026	6,026
3. 2013	XXX	8,908	8,606	8,485	8,485
4. 2014	XXX	XXX	12,540	11,861	11,800
5. 2015	XXX	XXX	XXX	49,591	33,882
6. 2016	XXX	XXX	XXX	XXX	47,108

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1. 2012	8,182	6,026			6,026	73.645			6,026	73.645
2. 2013	9,317	8,485			8,485	91.074			8,485	91.074
3. 2014	12,741	11,800			11,800	92.613			11,800	92.613
4. 2015	54,709	33,882			33,882	61.932		500	34,382	62.846
5. 2016	82,256	47,108			47,108	57.270			47,108	57.270

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid 1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	22,623	23,294	23,282	23,279	23,279
2.	2012	205,483	239,937	239,943	239,937	239,937
3.	2013	XXX	217,024	250,366	250,623	250,623
4.	2014	XXX	XXX	247,011	284,691	284,691
5.	2015	XXX	XXX	XXX	305,375	305,375
6.	2016	XXX	XXX	XXX	XXX	22,284

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2012	2 2013	3 2014	4 2015	5 2016
1.	Prior	(912,359)	(912,403)	(912,416)	23,279	23,279
2.	2012	236,067	240,607	239,943	239,937	239,937
3.	2013	XXX	252,338	251,134	250,623	250,623
4.	2014	XXX	XXX	295,604	285,040	284,691
5.	2015	XXX	XXX	XXX	365,766	305,375
6.	2016	XXX	XXX	XXX	XXX	22,284

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1 Premiums Earned	2 Claims Payments	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10 (Col. 9/1) Percent
1.	2012	265,676	239,937			239,937	90.312			239,937	90.312
2.	2013	283,782	250,623			250,623	88.315			250,623	88.315
3.	2014	367,509	284,691			284,691	77.465			284,691	77.465
4.	2015	446,842	305,375			305,375	68.341		1,363	306,739	68.646
5.	2016	36,198	22,284			22,284	61.561			22,284	61.561

12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other . . . . NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other . . . . NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve . . . . NONE

UNDERWRITING AND INVESTMENT EXHIBIT
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent ($..............0 for occupancy of own building)		265,947	565,947		831,894
2.	Salaries, wages and other benefits	1,713,687	74,600	6,719,621		8,507,907
3.	Commissions (less $..............0 ceded plus $..............0 assumed)					
4.	Legal fees and expenses			6,910		6,910
5.	Certifications and accreditation fees		10,642	95,779		106,422
6.	Auditing, actuarial and other consulting services		54,707	243,386		298,093
7.	Traveling expenses	6,200		52,731		58,931
8.	Marketing and advertising					
9.	Postage, express and telephone		54,685	166,862		221,546
10.	Printing and office supplies		69,647	233,165		302,812
11.	Occupancy, depreciation and amortization			19,322		19,322
12.	Equipment					
13.	Cost or depreciation of EDP equipment and software		164,622	1,237,769		1,402,391
14.	Outsourced services including EDP, claims, and other services		433,413	4,752,217		5,185,630
15.	Boards, bureaus and association fees					
16.	Insurance, except on real estate		2,899	11,875		14,774
17.	Collection and bank service charges			30,642	(630,159)	(599,517)
18.	Group service and administration fees					
19.	Reimbursements by uninsured plans					
20.	Reimbursements from fiscal intermediaries					
21.	Real estate expenses					
22.	Real estate taxes			12,743		12,743
23.	Taxes, licenses and fees:					
	23.1 State and local insurance taxes					
	23.2 State premium taxes					
	23.3 Regulatory authority licenses and fees			239,433		239,433
	23.4 Payroll taxes	128,566	158,673	297,152		584,391
	23.5 Other (excluding federal income and real estate taxes)					
24.	Investment expenses not included elsewhere					
25.	Aggregate write-ins for expenses					
26.	TOTAL Expenses Incurred (Lines 1 to 25)	1,848,453	1,289,833	14,685,556	(630,159)	(a) 17,193,683
27.	Less expenses unpaid December 31, current year			960,680		960,680
28.	Add expenses unpaid December 31, prior year			4,049,755		4,049,755
29.	Amounts receivable relating to uninsured plans, prior year					
30.	Amounts receivable relating to uninsured plans, current year					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	1,848,453	1,289,833	17,774,630	(630,159)	20,282,757
DETAILS OF WRITE-INS						
2501.						
2502.						
2503.						
2598.	Summary of remaining write-ins for Line 25 from overflow page					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)					

(a) Includes management fees of $..............0 to affiliates and $..............0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds	(a)	
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5.	Contract loans		
6.	Cash, cash equivalents and short-term investments	(e)	
7.	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income		
10.	TOTAL Gross investment income		
11.	Investment expenses		(g)
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) (630,159)
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		
16.	TOTAL Deductions (Lines 11 through 15)		(630,159)
17.	Net Investment income (Line 10 minus Line 16)		630,159
DETAILS OF WRITE-INS			
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page		
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)		
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)		

(a) Includes $..............0 accrual of discount less $..............0 amortization of premium and less $..............0 paid for accrued interest on purchases.
(b) Includes $..............0 accrual of discount less $..............0 amortization of premium and less $..............0 paid for accrued dividends on purchases.
(c) Includes $..............0 accrual of discount less $..............0 amortization of premium and less $..............0 paid for accrued interest on purchases.
(d) Includes $..............0 for company's occupancy of its own buildings; and excludes $..............0 interest on encumbrances.
(e) Includes $..............0 accrual of discount less $..............0 amortization of premium and less $..............0 paid for accrued interest on purchases.
(f) Includes $..............0 accrual of discount less $..............0 amortization of premium.
(g) Includes $..............0 investment expenses and $..............0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
(h) Includes $..............0 interest on surplus notes and $..............0 interest on capital notes.
(i) Includes $..............0 depreciation on real estate and $..............0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds	301,695		301,695		
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	TOTAL Capital gains (losses)	301,695		301,695		
DETAILS OF WRITE-INS						
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)					

EXHIBIT OF NONADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			
	2.2 Common stocks			
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			
	3.2 Other than first liens			
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			
	4.2 Properties held for the production of income			
	4.3 Properties held for sale			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6.	Contract loans			
7.	Derivatives (Schedule DB)			
8.	Other invested assets (Schedule BA)			
9.	Receivables for securities			
10.	Securities lending reinvested collateral assets (Schedule DL)			
11.	Aggregate write-ins for invested assets			
12.	Subtotals, cash and invested assets (Lines 1 to 11)			
13.	Title plants (for Title insurers only)			
14.	Invested income due and accrued			
15.	Premium and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection			
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
	15.3 Accrued retrospective premiums and contracts subject to redetermination			
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers			
	16.2 Funds held by or deposited with reinsured companies			
	16.3 Other amounts receivable under reinsurance contracts			
17.	Amounts receivable relating to uninsured plans			
18.1	Current federal and foreign income tax recoverable and interest thereon			
18.2	Net deferred tax asset	485,167	557,810	72,643
19.	Guaranty funds receivable or on deposit			
20.	Electronic data processing equipment and software	369,769	550,993	181,224
21.	Furniture and equipment, including health care delivery assets		15,672	15,672
22.	Net adjustment in assets and liabilities due to foreign exchange rates			
23.	Receivables from parent, subsidiaries and affiliates			
24.	Health care and other amounts receivable			
25.	Aggregate write-ins for other than invested assets	1,010,831	869,526	(141,305)
26.	TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	1,865,767	1,994,002	128,235
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28.	TOTAL (Lines 26 and 27)	1,865,767	1,994,002	128,235
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501.	Prepaid Assets	1,010,831	869,526	(141,305)
2502.				
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	1,010,831	869,526	(141,305)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

		Total Members at End of					6
		1	2	3	4	5	Current Year
	Source of Enrollment	Prior Year	First Quarter	Second Quarter	Third Quarter	Current Year	Member Months
1.	Health Maintenance Organizations	94,119	7,968	8,733	8,051	8,076	96,690
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business						
7.	TOTAL	94,119	7,968	8,733	8,051	8,076	96,690
DETAILS OF WRITE-INS							
0601.							
0602.							
0603.							
0698.	Summary of remaining write-ins for Line 6 from overflow page						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of HAP Midwest Health Plan, Inc. (Plan) have been prepared in accordance with the *NAIC Accounting Practices and Procedures Manual (NAPPM)* and the NAIC Annual Statement Instructions (NASI) to the extent that these accounting practices, procedures and reporting standards are not modified by accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services (DIFS).

DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining the financial condition and results of operation of an insurance company. The *NAPPM* has been adopted as a component of prescribed or permitted practices by DIFS.

A reconciliation of the Plan's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

NET INCOME		State of Domicile	2016	2015
(1)	MHP State Basis (Page 4, Line 32, Columns 2 & 3)	Michigan	$22,990,965	$27,483,354
(2)	State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(3)	State Permitted Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(4)	NAIC SAP (1-2-3=4)	Michigan	$22,990,965	$27,483,354
SURPLUS				
(5)	MHP State Basis (Page 3, Line 33, Columns 3&4)	Michigan	$24,331,738	$57,362,569
(6)	State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(7)	State Permitted Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(8)	NAIC SAP (5-6-7=8)	Michigan	$24,331,738	$57,362,569

Financial statements prepared on the statutory basis vary in some respects from those prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and in some cases, those differences may be material. The significant accounting principles, as outlined above, were followed in the preparation of the statutory basis financial statements. Had the financial statements been prepared in accordance with the accounting principles generally accepted in the United States of America, the following differences would have been noted:

- Certain assets are "non-admitted" and are charged against surplus, such as prepaid expenses, electronic data processing equipment and software, furniture and deferred tax assets.

- Purchase Price Accounting (Goodwill and Other Intangibles) Assets, amortization and associated Deferred Taxes are recorded on the acquired company's GAAP financial statements. Our parent corporation, HAP, has accounted for its investment in the Plan in accordance with Statement of Statutory Accounting Principles (SSAP) No 68, *Business Combinations and Goodwill.*

- Deferred income taxes are admitted in accordance with Statement of Statutory Accounting Principle (SSAP) No. 101, Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10 effective January 1, 2012. Changes in deferred income taxes are credited or charged directly to unassigned surplus as opposed to income tax expense.

- The classification of items included in the Statements of Cash Flows - statutory basis differs from GAAP.

- The disclosures required by the statutory basis differ from GAAP.

B. Use of Estimates

The preparation of financial statements in conformity with accounting practices prescribed or permitted by DIFS require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy

The Plan operates under a capitated Medicaid contract and a MI Child contract which ended December 31, 2015 with the Michigan Department of Community Health (MDCH). In addition, the Plan has a contract with the Centers for Medicare and Medicaid Services (CMS) for Medicare beneficiaries. For the years ended December 31, 2016 and 2015, these contracts provided the majority of the Plan's operating revenues. Revenue is recognized during the month in which coverage for enrolled members is in effect. Amounts receivable or payable as a result of the contract reconciliation process are recorded in the year known or a reasonable estimate is determinable.

1. Short–term investments are stated at amortized cost. Cash Equivalents have been accounted for in accordance with SSAP No. 2. All highly liquid investments with original maturities of three months or less are classified as cash equivalents.

2. Bonds not backed by other loans- are stated at amortized cost or the lower of fair value or amortized cost based on the NAIC designation of the underlying security.

Notes to Financial Statements

3. Common Stocks – Not applicable

4. Preferred Stocks – Not applicable

5. Mortgage Loans – Not applicable

6. Loan –backed securities – Not applicable

7. Investments in Subsidiaries, controlled and affiliated companies – Not applicable

8. Investments in Joint Ventures, partnerships and limited liability companies – Not applicable

9. Derivatives – Not applicable

10. The Company was not required to record a premium deficiency reserve at December 31, 2016.

11. The Plan's method of estimating liabilities for unpaid medical claims are based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.

12. Capitalization policy – No modification of capitalization policy

13. Pharmaceutical/Rebates Receivable – The plan recognizes pharmacy rebates/reimbursements when the amounts are known or a reasonable estimate is determinable.

D. Going Concern

Management does not consider there to be any present conditions or events that would raise substantial doubt about the Plan's ability to continue as a going concern.

2. Accounting Change and Correction of Errors

The Plan had no accounting changes or correction of errors.

3. Business Combination and Goodwill

A. Statutory Purchase Method- Not applicable

B. Statutory Merger- Not applicable

C. Assumption Reinsurance- Not applicable

D. Impairment Loss**-** Not applicable

4. Discontinued Operations

The Plan had no discontinued operations.

5. Investments

A. Mortgage Loans **–** Not applicable
1. Not Applicable
2. Not Applicable
3. Taxes, assessments and any amounts advanced and not included in mortgage loan total- not applicable
4. Age Analysis of Mortgage loans, aggregated by type- not applicable
5. Disclose for investment in impaired loans aggregated by type- not applicable
6. Impaired loans- not applicable
7. Activity in the allowance for credit losses account- not applicable
8. Mortgage loans derecognized as a result of foreclosure- not applicable
9. The policy for recognizing interest income on impaired loans, including the method for recording cash receipts- not applicable

B. Debt Restructuring **–** Not applicable

C. Reverse Mortgages – Not applicable

D. Loan-Backed Securities–

1. Sources used to determine prepayment assumptions:

Prepayment assumptions for loan-backed and asset backed securities are obtained from broker dealer survey values. A change from the retrospective to the prospective method has not been made.

2-3. Loan-backed securities with a recognized other-than-temporary impairment:

The Plan has not deemed it necessary to recognize any other than temporary impairments in its earnings as a realized loss in relation to its loan-backed securities.

Notes to Financial Statements

4. Loan-backed securities for which an other-than-temporary impairment has not been recognized in earnings as a realized loss:

   a. The aggregate amount of unrealized losses:
      1. Less than 12 months- Not applicable
      2. 12 Months or longer- Not applicable

   b. The aggregate related fair value of securities with unrealized losses:
      1. Less than 12 months- Not Applicable
      2. 12 Months or longer $Not Applicable

5. In considering whether an investment is other-than-temporarily impaired, management considers its ability and intent to hold the investment, the severity of the decline in fair value and the duration of the impairment, among other factors. Management has determined that it has the ability and intent to hold indefinitely its investment in its loan-backed securities and that the severity and duration of any impairment is insufficient to indicate an other-than-temporary impairment.

E. Repurchase Agreements – Not applicable

F. Real Estate – Not applicable

G. Investment in Low-Income Housing Tax Credits – Not applicable

H. Restricted Assets

1. Restricted Assets (Including Pledged)

	1	2	3	4	5	6
Restricted Asset Category	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown						
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements						
d. Subject to reverse repurchase agreements						
e. Subject to dollar repurchase agreements						
f. Subject to dollar reverse repurchase agreements						
g. Placed under option contracts						
h. Letter stock or securities restricted as to sale						
i. FHLB capital stock						
j. On deposit with states	1,027,117	1,024,583	2,534	1,027,117	1.20	1.20
k. On deposit with other regulatory bodies						
l. Pledged as collateral to FHLB (including assets backing funding agreements)						
m. Pledged as collateral not captured in other categories						
n. Other restricted assets						
o. Total Restricted Assets	1,027,117	1,024,583	2,534	1,027,117	1.20%	1.20%

2. Detail of Assets Pledged as Collateral Not Captured in Other Categories – Not applicable

3. Detail of Other Restricted Assets – Not Applicable

I. Working Capital Finance Investments– Not applicable

J. Offsetting and Netting of Assets and Liabilities – Not applicable

K. Structured Notes– Not applicable

Notes to Financial Statements

6. Joint Ventures, Partnerships and Limited Liability Companies

A. The Plan has no investments in Joint Ventures, Partnerships, or limited Liability Companies that exceed 10% of its admitted assets

B. The Plan did not recognize any impairment write down for investments in Joint Ventures, Partnerships and, Limited Liability Companies during the Statement Periods.

7. Investment Income

The Plan had no excluded investment income.

8. Derivative Instruments

The Plan had no derivative instruments.

9. Income Taxes

The Plan has recognized an admitted net Deferred Tax Asset (DTA) of $1,702,403 and $2,899,605 as of December 31, 2016 and 2015, respectively. The DTA is the result of cumulative temporary timing differences that exist between amounts presented in the statutory basis financial statements and amounts reportable for income tax purposes.

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.	12/31/2016		
	1	2	3
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	2,205,570		2,205,570
(b) Statutory Valuation Allowance Adjustments	0		0
(c)Adjusted Gross Deferred Tax Assets (1a - 1b)	2,205,570		2,205,570
(d) Deferred Tax Assets Nonadmitted	485,167		485,167
(e)Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	1,720,403		1,720,403
(f) Deferred Tax Liabilities	0		0
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e - 1f)	1,720,403		1,720,403

1.	12/31/2015		
	4	5	6
	Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	3,656,938	18,052	3,674,990
(b) Statutory Valuation Allowance Adjustments	0	18,052	18,052
(c)Adjusted Gross Deferred Tax Assets (1a - 1b)	3,656,938	0	3,656,938
(d) Deferred Tax Assets Nonadmitted	557,810		557,810
(e)Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	3,099,128	0	3,099,128
(f) Deferred Tax Liabilities	(199,523)		(199,523)
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e - 1f)	2,899,605	0	2,899,605

Notes to Financial Statements

1.

	Change		
	7 (Col 1-4) Ordinary	8 (Col 2-5) Capital	9 (Col 7+8) Total
(a) Gross Deferred Tax Assets	(1,451,368)	(18,052)	(1,469,420)
(b) Statutory Valuation Allowance Adjustments	0	(18,052)	(18,052)
(c)Adjusted Gross Deferred Tax Assets (1a - 1b)	(1,451,368)	0	(1,451,368)
(d) Deferred Tax Assets Nonadmitted	(72,643)	0	(72,643)
(e)Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	(1,378,725)	0	(1,378,725)
(f) Deferred Tax Liabilities	199,523	0	199,523
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e - 1f)	(1,179,202)	0	(1,179,202)

2.

Admission Calculation Components SSAP No. 101	12/31/2016		
	1 Ordinary	2 Capital	3 (Col 1+2) Total
(a) Federal Income taxes Paid In Prior Years Recoverable Through Loss Carry Carrybacks.	1,649,403	0	1,649,403
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	71,000	0	71,000
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	71,000	0	71,000
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	8,169,445
(c)Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax	0	0	0
Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	0	0	0
(d)Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	1,720,403	0	1,720,403

2.

Admission Calculation Components SSAP No. 101	12/31/2015		
	4 Ordinary	5 Capital	6 (Col 4+5) Total
(a) Federal Income taxes Paid In Prior Years Recoverable Through Loss Carry Carrybacks.	2,828,605	2,696	2,828,605
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	71,000	0	71,000
1. Adjusted Gross Deferred Tax Assets			

Notes to Financial Statements

Expected to be Realized Following the Balance Sheet Date.	71,000	0	71,000
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	xxx	xxx	8,169,445
(c)Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax	199,523	0	199,523
Assets From 2(a) and 2(b) above) Offset by		0	
Gross Deferred Tax Liabilities	(199,523)		(199,523)
(d)Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	2,899,605	0	2,899,605

2.

	Change		
	7	8	9
	(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
Admission Calculation Components SSAP No. 101			
(a) Federal Income taxes Paid In Prior Years Recoverable Through Loss Carry Carrybacks.	(1,179,202)	0	(1,179,202)
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	0	0	0
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	0	0	0
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	xxx	xxx	0
(c)Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax	(199,523)	0	(199,523)
Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	199,523	0	199,523
(d)Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	(1,179,202)		(1,179,202)

3.

	2016	2015
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	332%	397%
(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.	22,620,314	57,362,569

4.

	12/31/2016		
	1	2	3
	Ordinary Percent	Capital Percent	(Col 1+2) Total Percent
Impact of Tax-Planning Strategies			
(a) Determination Of Adjusted Gross Deferred Tax Assets And Net Admitted Deferred Tax Assets B Tax Character As A Percentage.			
1. Adjusted Gross DTAs	2,205,570	0	2,205,570
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs	1,720,403	0	1,720,403
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax	0%	0%	0%

Notes to Financial Statements

Character Attributable to the Impact of Tax Planning Strategies

4.	12/31/2015		
	4 Ordinary Percent	5 Capital Percent	6 (Col 4+5) Total Percent
Impact of Tax-Planning Strategies			
1. Adjusted Gross DTAs	3,656,938	0	3,656,938
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs	2,899,605	0	2,899,605
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%

4.	Change		
	7 (Col 1-4) Ordinary Percent	8 (Col 2-5) Capital Percent	9 (Col 7+8) Total Percent
Impact of Tax-Planning Strategies			
1. Adjusted Gross DTAs	(1,451,368)	0	(1,451,368)
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%
3. Net Admitted Adjusted Gross DTAs	(1,378,725)	0	(1,378,725)
4. Percentage of Net Admitted Adjusted Gross DTAs By Tax Character Attributable to the Impact of Tax Planning Strategies	0%	0%	0%

(b) Does the Corporation's tax-planning strategies include the use of reinsurance? Yes No X

B. Unrecognized Deferred Tax Liabilities - NOT APPLICABLE.

C. Current income taxes incurred consist of the following major components:

	1 12/31/2016	2 12/31/2015	3 (Col 1-2) Change
1. Current Income Tax			
(a) Federal	10,582,655	16,014,920	(5,432,265)
(b)Foreign			
(c)Subtotal	10,582,655	16,014,920	(5,432,265)
(d) Federal income tax on net capital gains			
(e)Utilization of capital loss carry-forwards			
(f) Other	(295,118)	(67,939)	(227,179)
(g) Federal and foreign income taxes incurred	10,287,537	15,946,981	(5,659,444)

Notes to Financial Statements

	1 12/31/2016	2 12/31/2015	3 (Col 1-2) Change
2. Deferred Tax Assets			
(a) Ordinary			
(1) Discounting of unpaid losses	78.823	227.594	(148,771)
(2) Unearned premium reserve			
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs	0	0	0
(6) Policyholder dividends accrual			
(7) Fixed Assets	0	201,166	(201,166)
(8) Compensation and benefits accrual	164,219	563,876	(399,656)
(9) Pension accrual			
(10) Receivables - nonadmitted			
(11) Net operating loss carry-forward			
(12) Tax credit carry-forward			
(13) Other (including items <5% of total ordinary tax assets)	*358,845*	*308,682*	*50,163*
(14)State taxes amended	*905,717*	*1,586,453*	*(680,736)*
(15) Intangibles	698,167	769,167	(71,000)
(99) Subtotal	2,205,570	3,656,938	(1,451,368)
(b) Statutory valuation allowance adjustment			0
(c)Nonadmitted	485,167	557,810	(72,643)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	1,720,403	3,099,128	(1,378,725)
(e)Capital:			
(1) Investments	0	0	0
(2) Net capital loss carry-forward	0	18,052	(18,052)
(3) Real estate	0	0	0
(4) Other (including items <5% of total capital tax assets)	0	0	0
(99) Subtotal	0	18,052	(18,052)
(f) Statutory valuation allowance adjustment	0	18,052	(18,052)
(g) Nonadmitted	0	0	0
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	0	0	0
(i) Admitted deferred tax assets (2d + 2h)	1,720,403	3,099,128	(1,378,725)
3. Deferred Tax Liabilities			
(a) Ordinary:			
(1) Investments	0	0	0
(2) Fixed assets	0	199,523	(199,523)
(3) Deferred and uncollected premium	0	0	0
(4) Policyholder reserves	0	0	0
(5) Other (including items <5% of total ordinary tax assets)	0	0	0
(99) Subtotal	0	199,523	(199,523)
(b) Capital:			
(1) Investments	0	0	0
(2) Real estate	0	0	0
(3) Other (including items <5% of total capital tax liabilities)	0	0	0

Notes to Financial Statements

(99) Subtotal	0	0	0
(c Deferred tax liabilities(3a99 + 3b99)	0	199,523	(199,523)
4. Net deferred tax assets/liabilities(2i - 3c)	1,720,403	2,899,605	(1,179,202)

	12/31/2016	12/31/2015	Change
Total Deferred Tax Assets	2,205,570	3,674,990	(1,469,420)
Total Deferred Tax Liabilities	0	(199,523)	199,523
Net Deferred Tax Asset/Liabilities	2,205,570	3,475,467	(1,269,897)
Statutory Valuation Allowance	0	(18,052)	18,052
Net DTA/DTL after VA	2,205,570	3,457,415	(1,251,845)
Tax-effect on Unrealized Gain			0
Statutory Valuation Allowance on Unrealized			0
Change in Net Deferred Income tax			(1,251,845)

D. Among the more significant book to tax adjustments were the following:

	2016	%	2015	%
Federal income tax benefit computed at the statutory rate	11,843,629	35.5%	15,417,769	35.5%
Permanent Differences	0	0.0%	(211,037)	-0.5%
Change in DTAs on Non Admitted Assets	19,735	0.1%	(83,580)	-0.1%
Impact of Change in Tax Rate	0	0.0%	31,517	0.1%
Prior Year True-up	(277,947)	(0.8%)	(67,939)	-0.2%
Impact of Prior Year Amended State Tax returns	0	0.0%		
Valuation Allowance	(18,052)	(0.1%)	18,052	0.0%
Other	1,777	0.0%	(7,801)	0.0%
Total	11,539,381	34.7%	15,096,981	34.8%
Federal income taxes incurred	10,582,655	31.8%	16,014,920	36.9%
Change in net deferred income taxes	1,251,845	3.8%	(850,000)	0.0%
Prior year underaccrual/(overaccrual)	(295,118)	(0.9%)	(67,939)	-0.2%
Total statutory income taxes	11,539,382	34.7%	15,096,981	36.8%

E. Carry forwards, recoverable taxes, and IRC 6603 deposits:
The Plan does not have any Net Operating Loss or tax credit carry forwards.
The Plan does not have any deposits admitted under IRC 6603.

The Company has $10,583,000 and $15,720,000 of taxes recoupable for the tax years 2016 and 2015, respectively.

F. The Plan's federal income tax return if filed on a standalone basis and taxes are based on an adopted income tax allocation plan between the Plan and other affiliated members of the controlled group.

The Company has $10,670,000 and $15,720,000 of taxes recoupable for the tax years 2016 and 2015, respectively.

G. HAP MHP has recorded a liability, in accordance with SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets Revised, for the net benefit of the filing position taken on State of Michigan tax returns for prior years. HAP MHP has recorded a liability for the net benefit of $4,469,000 and $2,551,000 for 2016 and 2015, respectively. Based on the tax return filing position, HAP MHP believes it is probable that the filed returns may be examined by the State of Michigan Treasury Department. HAP MHP expects that this liability will decrease by $2,551,000 during 2017 and the associated reduction will be recognized in expense. The statute of limitation for Michigan returns is open for 2011 and subsequent years. Furthermore, the Federal statute of limitation is open for 2013 and subsequent years.

10. Information Concerning Parent, Subsidiaries and Affiliates

A. The Plan is 100% owned by Health Alliance Plan of Michigan. The Plan's Ultimate Controlling Entity is the Henry Ford Health System (HFHS).

B. The Plan incurred a management fee, for strategic guidance and support and services from HAP in 2016 and 2015. The Plan incurred a management fee for medical management from HFHS in 2016 and 2015. Through a Specialty Care and Hospital Agreement and a Plan/Primary Care Provider Agreement the Plan purchased healthcare and remitted State of Michigan pass thru payments to HFHS in 2016, and 2015. The Plan entered into a sublease agreement with HAP for primary office space of 18,418 rentable square feet in 2015. The terms of this lease agreement shall end on June 30, 2018, however it may be canceled with a 30 day written notice prior to January 1, 2018.

Notes to Financial Statements

C. The HAP management fee was $2,331,906 in 2016 and $1,446,976 in 2015. The plan paid healthcare services (noted above) to HFHS of $28,363,058 in 2016 and $49,222,512 in 2015. The Plan purchased healthcare services from related parties totaling approximately 0 in 2016 and $1,123,000 in 2015. The plan paid $303,036 for a sublease to HAP in 2016 and $298,432 in 2015.

D. The Plan, under the terms of a Management and Services Agreement with HAP and a Management and Services Agreement between Henry Ford Health System (HFHS) and HAP recorded an amount due of $243,726 and $1,075,253 for 2016 and 2015 respectively, with terms of settlement within 15 days. The Plan, under the terms of a Primary Care Provider Agreement with HFHS has recorded $1,182,069 which is included in Accrued medical incentive pool and bonus amounts at December 31, 2016.

E. Guarantees to Affiliated Groups – Not applicable

F. As described above

G. Common Ownership or Control – the Plan and its affiliates are not subject to common ownership or control whereby their operating results or financial position would be significantly different from those if the entities were autonomous.

H. Ownership in an Upstream Affiliate or Parent – Not applicable

I. Investments in SCA Entities Exceeding 10% of Admitted Assets – Not applicable

J. Investments in Impaired SCA Entities – Not applicable

K. Investments in Foreign Insurance Subsidiaries – Not applicable

L. Investment in Downstream Noninsurance Subsidiaries – Not applicable

M. Investments in Non-Insurance Subsidiaries, Controlled and Affiliated Entities- Not applicable

N. Investments in Insurance SCAs with Prescribed and Permitted Practices- Not applicable

11. Debt

The Plan had no debt.

A. Debt, including Capital Notes and Reverse Repurchase Agreements – Not applicable

B. FHLB (Federal Home Loan Bank) Agreements – Not applicable

12. Employee Benefit Plan

A. Defined Benefit Plan – Not applicable

B. Investment Policies and Strategies- Not applicable

C. Fair Value of Each Class of Plan Assets- Not applicable

D. Basis to determine the overall expected long-term rate- of-return-on-assets assumptions- Not Applicable

E. Defined Contribution Plan - The Plan maintains a 401(k) plan for its employees. All employees are eligible to participate in the 401(k) plan after completion of age and service requirements. The Plan makes matching contributions to the 401(k) plan up to four percent or eligible compensation. Contributions, net of forfeitures, made to the 401(k) plan by the Plan for the years ended December 31, 2016 and 2015 were approximately $141,626 and $187,912, respectively. The fair value of plan assets was $3,867,062 and $4,242,250 at December 31, 2016 and 2015 respectively.

F. Multiemployer Plans – Not applicable

G. Consolidated/Holding Company Plans – Not applicable

H. Post-employment Benefits and Compensated Absences – Not applicable

I. Impact of Medicare Modernization Act- Not applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

1. Capital stock - The Plan has 60,000 shares authorized, 8,465 issued and outstanding at a par value of $ 22 as of December 31, 2015.
2. Preferred stock – Not applicable
3. Dividend Restrictions - Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Plan's state of incorporation, Michigan, and to an amount based on restrictions relating to statutory surplus.
4. The Plan and its parent company, HAP, requested and received approval from DIFS for an ordinary dividend of $17,483,354 and an extraordinary dividend of $12,516,646 in July 2016. The dividends were paid to HAP on July 18, 2016. The Plan and its parent company HAP also requested and received approval from DIFS for an addition extraordinary dividend of $24,700,000 in December 2016. The dividend was accepted and accrued for year end and paid on January 6, 2017.
5. Dividend Restrictions Based on Profits - Within the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
6. Restrictions on Unassigned Funds (Surplus) – Not applicable

Notes to Financial Statements

7. Advances to Surplus Not Repaid – Not applicable.

8. Stock held for Special Purposes – Not applicable.

9. Changes in special Surplus funds – Not applicable

10. There are no cumulative unrealized gains and losses that reduce Unassigned funds (Surplus)

11. Surplus Notes – Not applicable

12. Impact of a Restatement Due to a Quasi-reorganization – Not applicable

13. The Effective Date(s) of a Quasi-Reorganization for the Prior Ten Years – Not applicable

14. Liabilities, Contingencies and Assessments

A. Contingent Commitments - Not Applicable

B. Guaranty fund and other assessments - Not applicable

C. Gain Contingencies - Not applicable

D. Claims Related Extra Contractual Obligation and Bad, Faith Losses Stemming from Lawsuits - Not Applicable

E. Joint and Several Liabilities - Not applicable

F. All Other Contingencies – Not applicable

15. Leases

A. Lessee Operating Leases

1.

a. The Plan leases office facilities under an operating lease agreement that expires December 2016. Rental expense was $691,900 and $686,754 in 2016 and 2015, respectfully. Refer to note 10 for information on cancelable sublease with parent company, HAP.

b. The Plan commenced a 10 year operating lease for its primary office space in December 2010, which is cancellable after the 6th year.

2 At December 31, 2016, the Plan has no minimum aggregate rental commitments.

3. Material Sales – Leaseback Transactions - Not applicable

B. Lessor Leases – Not applicable

C. Leveraged Leases- Not applicable

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

The Plan had no financial instruments with off-balance sheet risk or with concentrations of credit risk.

17. Sales, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

A. Transfers of Receivables Reported as Sales - Not applicable

B. Transfer and Servicing of Financial Assets - Not applicable

C. Wash Sales - Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

A. ASO Plans – Not applicable

B. ASC Plans – Not applicable

C. Medicare or Other Similarly Structured Cost Based Reimbursement Contract –

1. Major components of revenue by payer – Not applicable

2. Receivables from payers with account balances the greater of 10% of amounts receivable relating to uninsured accident and health plans of $10,000 –

	2016	2015
Centers for Medicare and Medicaid Services (CMS)	$2,604,892	$3,042,000

3. Allowances and reserves for adjustment of recorded revenue – Not applicable

4. Adjustments to revenue resulting from audit of receivables related to revenues recorded in the prior period – Not applicable

19. Direct Premium Written/Produced by Managing General Third Agents/Third Party Administrators

Notes to Financial Statements

The plan had no direct premium written/produced by managing general third agents/third party administrators.

20. Fair Value Measurements

A.

1. Fair Value Measurements at Reporting Date

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at Fair Value				
Perpetual Preferred stock				
Industrial and Misc.	$ 0	$0	$0	$ 0
Parent, Subsidiaries and Affiliates	0	0	0	0
Total Perpetual Preferred Stocks	$ 0	$0	$0	$ 0
Bonds				
U.S. Governments	$0	$0	$0	$0
U.S. State	0	0	0	0
Industrial and Misc	64,933,639	0	0	64,933,639
Hybrid Securities	0	0	0	0
Parent, Subsidiaries and Affiliates	0	0	0	0
Total Bonds	$ 64,933,639	$0	$0	$ 64,933,639
Common Stock				
Industrial and Misc	$ 0	$0	$0	$ 0
Parent, Subsidiaries and Affiliares	0	0	0	0
Total Common Stocks	$ 0	$0	$0	$ 0
Derivative assets				
Interest rate contracts	$ 0	$0	$0	$ 0
Foreign exchange contracts	0	0	0	0
Credit contracts	0	0	0	0
Commodity futures contracts	0	0	0	0
Commodity forward contracts	0	0	0	0
Total Derivatives	$ 0	$0	$0	$ 0
Separate account assets	$ 0	$0	$0	$ 0
Total assets at fair value	$ 64,933,639	$0	$0	$64,933,639
b. Liabilities at fair value				
Derivative liabilities	$ 0	$0	$0	$ 0
Total Liabilities at Fair Value	$0	$0	$0	$0

Footnote:

(a) No transfers from Level 1 to Level 2.

2. The Plan has no fair value measurements categorized within Level 2 and 3 of the fair value hierarchy.

3. The corporation's policy for recognition of transfers between levels within the fair value hierarchy is to recognize the transfer on the actual date of the event or change in circumstances that caused the transfer. The corporation had no transfers between levels.

4. Derivative assets and liabilities – Not applicable.

B. Fair value information and information about other similar measurements disclosed under other accounting pronouncements combined with disclosures under SSAP No. 100, Fair Value Measurements – Not applicable.

Notes to Financial Statements

C. Aggregate fair values of all financial instruments and applicable levels within the fair value hierarchy

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets/ Liabilities	(Level 1)	(Level 2)	(Level 3)	Not Practicable Carrying Value
Bonds	65,959,356	65,960,756	64,923,757			
Common Stock						
Derivative Assets						
Derivative Liabilities						

D. Financial instruments or classes of financial instruments for which fair value measurements are not determinable - NOT APPLICABLE.

21. Other Items

A. Extraordinary Items

During 2015, the Plan was notified by the State of Michigan that effective January 1, 2016 it would no longer be a participating Medicaid plan for two key regions, 9 and 10, that reflect the vast majority of its membership. The Plan, subsequent to December 31, 2015 balance sheet date, transferred membership from regions 9 and 10 to Molina Healthcare of Michigan Inc. (Molina) as approved by the Department of Insurance and Financial Services of the State of Michigan. On December 31, 2015, 75% of the negotiated sales price was received as a partial payment under the Asset Purchase Agreement with Molina prior to the effective date of transfer of January 1, 2016 and was recorded in cash and aggregate write-ins for other liabilities. Final reconciliation of the sales price and recognition of any gain or loss from the transfer of membership was recorded in the Plan's 2016 financial results.

B. Troubled Debt Restructuring – Not applicable

C. Other Disclosures – Statutory Reserve – see Note 1C2

D. Business Interruption Insurance Recoveries – Not applicable

E. State Transferable Tax Credits – Not applicable

F. Subprime Mortgage Related Risk Exposure – Not applicable

G. Retained Assets- Not applicable

H. Insurance-Linked Securities- Not applicable

22. Events Subsequent

Type 1- Recognized
Subsequent events have been considered through February 28, 2017 for the Statutory Statements issued on December 31, 2016.
Type II – Non-recognized Subsequent Events
Subsequent events have been considered through February 28, 2017 for the Statutory Statements issued on December 31, 2016.

In August 2015, the IRS confirmed that HAP MHP was not subject to the 2015 ACA Excise Fee based on its status as a Michigan nonprofit corporation.

		Current Year	Prior Year
A.	Did the reporting entity write accident and health insurance premium that is subject to section 9010 of the federal Affordable Care Act (Yes/No) –	No	No
B.	ACA fee assessment payable for the upcoming year	$0	$0
C.	ACA fee assessment paid -	$0	$0
D.	Premium written subject to ACA 9010 assessment –	$0	$0
E.	Total Adjusted Capital before surplus adjustment –	$0	$0
F.	Total Adjusted Capital after surplus adjustment –	$0	$0
G.	Authorized Control Level after surplus adjustment –	$0	$0

H. Would reporting the ACA assessment as of December 31, 2016, have triggered an RBC action level: N/A

23. Reinsurance

A. Ceded Reinsurance Report
Section 1 – General Interrogatories
1 - Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Plan or by any representative, officer, trustee, or director of the company? NO

Notes to Financial Statements

2 - Have any policies issued by the company been reinsured with a company chartered in a country other than the United States this is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business? NO

Section 2 – Ceded Reinsurance Report – Part A
1 – Does the Plan have a reinsurance agreement in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? NO
2 – Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured polices? NO

Section 3 – Ceded Reinsurance Report – Part B
1 – $820,137 is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement.
2 – Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Plan as of the effective date of the agreement? NO

B. Uncollectible Reinsurance – Not applicable

C. Commutation of Ceded Reinsurance – Not applicable

D. Certified Reinsurer Rating Downgraded or Status Subject to Revocation- Not applicable

The Plan has a reinsurance agreement with RGA Reinsurance Company, NAIC 93572, Federal Tax ID #43-1235868 a non-affiliated U.S. company for 2016 and 2015, respectively. The deductible rate for institutional services is $125,000 for covered Medicaid members, $165,000 for covered Child Special Health Care Service members and, $120,000 for covered Medicare members with a co-payment of 10%. Reinsurance ceded was $888,495 and $2,059,106 for 2016 and 2015, respectively. The maximum reinsurance per member is $1,000,000 per year and $2,000,000 per lifetime. The agreement is non-cancelable other than for failure to pay premiums. For the 2016 policy year, the Plan has an estimated receivable of $869,026 on paid claims as of December 31, 2016. The Plan received a $1,456,941 reimbursement for the 2015 policy year in 2016.

The company does not have assumed uncollectible or retroactive reinsurance.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination.

The Plan has no retrospectively rated contracts or contracts subject to redetermination.

25. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2016 were $26,764,445. As of December 31, 2016, $69,629,594 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now $4,921,111 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a $135,000 unfavorable prior-year development since December 31, 2015 to December 31, 2016. The increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual.

Activity in the liability for claims unpaid at December 31, 2015 and 2014 is summarized as follow:

	2015	2015
Medical Claims Liability		
Balance January 1	$74,415,625	$51,766,525
Incurred related to:		
Current Year	102,677,499	411,986,212
Prior Year	135,000	(11,910,000)
Total Incurred	102,812,499	400,076,212
Paid Related to:		
Current Year	80,834,085	338,249,773
Prior Year	69,629,594	39,177,338
Total Paid	150,463,679	377,427,111
Balance December 31	**$26,764,445**	**$74,415,625**

26. Intercompany Pooling Arrangements

Not applicable

27. Structured Settlements

Not applicable

28. Health Care Receivables – Admitted

A. Pharmaceutical/Rebates Receivable **–** The plan recognizes pharmacy rebates/reimbursements when the amounts are known or a reasonable estimate is determinable. The Plan changed its methodology for the recognition in the fourth quarter 2016 to align with its parent corporation's accounting practices.

Notes to Financial Statements

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More Than 180 Days After Billing
12/31/2016	625,294	1,750,686	8,979	0	1,741,707
09/30/2016	812,735	116,732	116,732	0	0
06/30/2016	724,892	1,945,484	46,282	1,256,589	642,613
03/31/2016	1,223,011	577,473	132,111	445,362	0
12/31/2015	2,801,833	813,500	451,729	0	0
09/30/2015	556,774	556,774	556,312	0	0
06/30/2015	412,241	412,241	413,562	0	0
03/31/2015	302,448	302,448	302,790	0	0
12/31/2014	221,660	221,660	221,527	0	0
09/30/2014	7,650	7,650	125,055	0	0
06/30/2014	240,880	240,880	123,534	0	0
03/31/2014	149,684	149,684	346,410	0	0

B. Risk Sharing Receivable

For 2016, the Plan had no contracts with capitated providers. For 2015, the Plan’s contract with capitated providers that have 250 or more assigned members were subject to risk sharing. Any provider with a deficit balance owed 25% of that balance, up to a maximum of three month’s capitation, to the Plan. The Plan had a final settlement with Providers 18 months after the beginning of the respective contract year. For 2015, the Plan agreed to waive any Risk Share Receivable and accordingly rebased its capitation payment and referral pool funding for 2015.

29. Participating Policies

Not applicable

30. Premium Deficiency Reserves

The need for Premium Deficiency Reserves was evaluated as of December 31, 2016, and no reserve was required.

31. Anticipated Salvage and Subrogation

Not applicable

GENERAL INTERROGATORIES
PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[ ]
If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes[X] No[ ] N/A[ ]

1.3 State Regulating? Michigan

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[ ] No[X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2015

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2013

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 06/05/2015

3.4 By what department or departments?
Department of Insurance and Financial Services

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments? Yes[ ] No[ ] N/A[X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[X] No[ ] N/A[ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes[ ] No[X]
4.12 renewals? Yes[ ] No[X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes[ ] No[X]
4.22 renewals? Yes[ ] No[X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[ ] No[X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[ ] No[X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes[ ] No[X]

7.2 If yes,
7.21 State the percentage of foreign control 0.000%
7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[ ] No[X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[ ] No[X]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Deloitte & Touche LLP, Suite 3900, 200 Renaissance Center, Detroit, MI 48243

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes[ ] No[X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation? Yes[ ] No[X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes[X] No[ ] N/A[ ]

10.6 If the response to 10.5 is no or n/a please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Dave Thoen, FSA, MAAA, Deloitte & Toche LLP, 50 South Sixth Street, Suite 2800, Minneapolis, MN 55402-1538, Consulting Contract

GENERAL INTERROGATORIES (Continued)

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes[ ] No[X]
12.11 Name of real estate holding company
12.12 Number of parcels involved 0
12.13 Total book/adjusted carrying value $ 0
12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?
13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes[ ] No[ ] N/A[X]
13.3 Have there been any changes made to any of the trust indentures during the year? Yes[ ] No[ ] N/A[X]
13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes[ ] No[ ] N/A[X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[ ]
a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
c. Compliance with applicable governmental laws, rules and regulations;
d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
e. Accountability for adherence to the code.
14.11 If the response to 14.1 is no, please explain:
14.2 Has the code of ethics for senior managers been amended? Yes[ ] No[X]
14.21 If the response to 14.2 is yes, provide information related to amendment(s).
14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[ ] No[X]
14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes[ ] No[X]
15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
15.2001				

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes[X] No[ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes[X] No[ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes[X] No[ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes[ ] No[X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
20.11 To directors or other officers $ 0
20.12 To stockholders not officers $ 0
20.13 Trustees, supreme or grand (Fraternal only) $ 0
20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
20.21 To directors or other officers $ 0
20.22 To stockholders not officers $ 0
20.23 Trustees, supreme or grand (Fraternal only) $ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes[ ] No[X]
21.2 If yes, state the amount thereof at December 31 of the current year:
21.21 Rented from others $ 0
21.22 Borrowed from others $ 0
21.23 Leased from others $ 0
21.24 Other $ 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes[ ] No[X]
22.2 If answer is yes:
22.21 Amount paid as losses or risk adjustment $ 0
22.22 Amount paid as expenses $ 0
22.23 Other amounts paid $ 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[ ] No[X]
23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes[X] No[ ]
24.02 If no, give full and complete information, relating thereto
24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes[ ] No[ ] N/A[X]
24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. $ 0
24.06 If answer to 24.04 is no, report amount of collateral for other programs. $ 0
24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes[ ] No[ ] N/A[X]
24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[ ] No[ ] N/A[X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. $ 0

24.103 Total payable for securities lending reported on the liability page. $ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[X] No[ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21	Subject to repurchase agreements	$ 0
25.22	Subject to reverse repurchase agreements	$ 0
25.23	Subject to dollar repurchase agreements	$ 0
25.24	Subject to reverse dollar repurchase agreements	$ 0
25.25	Placed under option agreements	$ 0
25.26	Letter stock or securities restricted as to sale - excluding FHLB Capital Stock	$ 0
25.27	FHLB Capital Stock	$ 0
25.28	On deposit with states	$ 1,027,117
25.29	On deposit with other regulatory bodies	$ 0
25.30	Pledged as collateral - excluding collateral pledged to an FHLB	$ 0
25.31	Pledged as collateral to FHLB - including assets backing funding agreements	$ 0
25.32	Other	$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[ ] No[X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[ ] No[ ] N/A[X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[ ] No[X]

27.2 If yes, state the amount thereof at December 31 of the current year. $ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Comerica Bank	Detroit, Michigan
The Northern Trust Company	Chicago, Illinois

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[ ] No[X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. ["…that have access to the investment accounts"; "…handle securities"]

1 Name of Firm or Individual	2 Affiliation

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes[ ] No[X]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[ ] No[X]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[ ] No[X]
29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 Total		

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

		1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1	Bonds	1,027,117	1,027,117	
30.2	Preferred stocks			
30.3	Totals	1,027,117	1,027,117	

30.4 Describe the sources or methods utilized in determining the fair values:
Fair values are based on quoted market prices where available obtained primarily from a third-party pricing service which generally uses Level 1 or Level 2 inputs for the determination of fair value

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[ ]
31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[ ] N/A[ ]
31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[X] No[ ]
32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? $ 37,099
33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Michigan Association of Health Plans	29,099
Medicaid Health Plans of America	8,000

34.1 Amount of payments for legal expenses, if any? $ 6,880
34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Ellis Porter PLC	2,923
Butzel Long	3,957

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? $ 0
35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

GENERAL INTERROGATORIES (Continued)

1 Name	2 Amount Paid
....	....

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes[ ] No[X]
1.2 If yes, indicate premium earned on U.S. business only: $ 0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $ 0
1.31 Reason for excluding:
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above. $ 0
1.5 Indicate total incurred claims on all Medicare Supplement insurance. $ 0
1.6 Individual policies - Most current three years:
1.61 TOTAL Premium earned $ 0
1.62 TOTAL Incurred claims $ 0
1.63 Number of covered lives 0
All years prior to most current three years:
1.64 TOTAL Premium earned $ 0
1.65 TOTAL Incurred claims $ 0
1.66 Number of covered lives 0
1.7 Group policies - Most current three years:
1.71 TOTAL Premium earned $ 0
1.72 TOTAL Incurred claims $ 0
1.73 Number of covered lives 0
All years prior to most current three years:
1.74 TOTAL Premium earned $ 0
1.75 TOTAL Incurred claims $ 0
1.76 Number of covered lives 0

2. Health Test

		1 Current Year	2 Prior Year
2.1	Premium Numerator	122,454,548	507,566,825
2.2	Premium Denominator	122,454,548	502,842,558
2.3	Premium Ratio (2.1 / 2.2)	1.000	1.009
2.4	Reserve Numerator	26,764,445	77,427,516
2.5	Reserve Denominator	27,946,514	77,031,306
2.6	Reserve Ratio (2.4 / 2.5)	0.958	1.005

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes[ ] No[X]
3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes[X] No[ ]
4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes[ ] No[ ] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes[X] No[ ]
5.2 If no, explain:
5.3 Maximum retained risk (see instructions):
5.31 Comprehensive Medical $ 248,500
5.32 Medical Only $ 0
5.33 Medicare Supplement $ 0
5.34 Dental & Vision $ 0
5.35 Other Limited Benefit Plan $ 0
5.36 Other $ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:
HAP Midwest Health Plan has agreements with its Primary Care providers to continue services until enrollee is re-asssigned by Medicaid.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes[X] No[ ]
7.2 If no, give details:

8. Provide the following information regarding participating providers:
8.1 Number of providers at start of reporting year 1,808
8.2 Number of providers at end of reporting year 2,443

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes[ ] No[X]
9.2 If yes, direct premium earned:
9.21 Business with rate guarantees between 15-36 months 0
9.22 Business with rate guarantees over 36 months 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes[X] No[ ]
10.2 If yes:
10.21 Maximum amount payable bonuses $ 1,145,479
10.22 Amount actually paid for year bonuses $ 361,350
10.23 Maximum amount payable withholds $ 784,129
10.24 Amount actually paid for year withholds $ 422,779

11.1 Is the reporting entity organized as:
11.12 A Medical Group/Staff Model, Yes[ ] No[X]
11.13 An Individual Practice Association (IPA), or, Yes[ ] No[X]
11.14 A Mixed Model (combination of above)? Yes[X] No[ ]
11.2 Is the reporting entity subject to Statutory Minimum Capital and Surplus Requirements? Yes[X] No[ ]
11.3 If yes, show the name of the state requiring such minimum capital and surplus.
Michigan
11.4 If yes, show the amount required. $ 8,635,068
11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes[ ] No[X]
11.6 If the amount is calculated, show the calculation.
See Risk Based Capital section

12. List service areas in which the reporting entity is licensed to operate:

1 Name of Service Area
Livingston, Macomb, Oakland, St. Claire, Washtenaw, Wayne Counties

13.1 Do you act as a custodian for health savings accounts? Yes[ ] No[X]
13.2 If yes, please provide the amount of custodial funds held as of the reporting date: $ 0
13.3 Do you act as an administrator for health savings accounts? Yes[ ] No[X]
13.4 If yes, please provide the balance of the funds administered as of the reporting date: $ 0

GENERAL INTERROGATORIES (Continued)

14.1 Are any of the captive affiliates reported on Schedule S, Part 3, as authorized reinsurers? Yes[ ] No[ ] N/A[X]
14.2 If the answer to 14.1 is yes, please provide the following:

1	2	3	4	Assets Supporting Reserve Credit		
				5	6	7
Company Name	NAIC Company Code	Domiciliary Jurisdiction	Reserve Credit	Letters of Credit	Trust Agreements	Other

15. Provide the following for individual ordinary life insurance* policies (U.S. business only) for the current year (prior to reinsurance assumed or ceded)
    15.1 Direct Premium Written $ 0
    15.2 Total incurred claims $ 0
    15.2 Number of covered lives 0

*Ordinary Life Insurance Includes
Term (whether full underwriting, limited underwriting, jet issue, "short form app")
Whole Life (whether full underwriting, limited underwriting, jet issue, "short form app")
Variable Life (with or without Secondary Guarantee)
Universal Life (with or without Secondary Guarantee)
Variable Universal Life (with or without Secondary Guarantee)

FIVE-YEAR HISTORICAL DATA

	1 2016	2 2015	3 2014	4 2013	5 2012
BALANCE SHEET (Pages 2 and 3)					
1. TOTAL Admitted Assets (Page 2, Line 28)	85,429,269	180,625,294	101,372,343	82,056,220	66,697,328
2. TOTAL Liabilities (Page 3, Line 24)	61,117,531	123,262,725	61,611,684	50,655,639	39,874,911
3. Statutory minimum capital and surplus requirement	8,635,068	27,409,926	20,533,564	17,367,996	16,168,642
4. TOTAL Capital and Surplus (Page 3, Line 33)	24,311,738	57,362,569	39,760,659	31,400,581	26,822,417
INCOME STATEMENT (Page 4)					
5. TOTAL Revenues (Line 8)	122,443,352	501,918,633	381,700,201	294,580,195	274,497,308
6. TOTAL Medical and Hospital Expenses (Line 18)	102,780,162	403,770,503	310,505,608	259,422,180	240,392,352
7. Claims adjustment expenses (Line 20)	3,138,286	6,077,398	4,201,271	3,657,902	3,311,601
8. TOTAL Administrative Expenses (Line 21)	14,685,556	49,048,806	37,430,526	15,200,497	17,388,122
9. Net underwriting gain (loss) (Line 24)	1,839,348	43,021,926	29,562,796	16,299,616	13,405,234
10. Net investment gain (loss) (Line 27)	931,854	408,409	203,106	24,723	19,070
11. TOTAL Other Income (Lines 28 plus 29)	30,507,300				
12. Net income or (loss) (Line 32)	22,990,965	27,483,354	19,130,072	9,439,932	7,104,342
Cash Flow (Page 6)					
13. Net cash from operations (Line 11)	(64,072,266)	57,156,301	33,468,231	16,775,485	12,010,667
RISK-BASED CAPITAL ANALYSIS					
14. TOTAL Adjusted Capital	24,311,738	57,362,569	39,760,659	31,400,581	26,822,417
15. Authorized control level risk-based capital	4,317,534	13,704,962	10,295,874	8,683,998	8,084,321
ENROLLMENT (Exhibit 1)					
16. TOTAL Members at End of Period (Column 5, Line 7)	8,076	94,119	94,408	79,419	82,326
17. TOTAL Members Months (Column 6, Line 7)	96,690	1,170,468	1,061,706	959,982	945,228
OPERATING PERCENTAGE (Page 4)					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19)	83.9	80.3	81.3	87.9	87.4
20. Cost containment expenses	1.5	0.6	0.5	0.5	
21. Other claims adjustment expenses	1.1	0.6	0.6	0.7	1.2
22. TOTAL Underwriting Deductions (Line 23)	98.5	91.3	92.2	94.3	94.9
23. TOTAL Underwriting Gain (Loss) (Line 24)	1.5	8.6	7.7	5.5	4.9
UNPAID CLAIMS ANALYSIS					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5)	77,166,385	40,278,255	36,167,538	30,601,182	26,143,092
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)]	77,031,306	52,363,305	37,902,789	32,726,160	28,199,166
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1)					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1)					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1)					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10)					
30. Affiliated mortgage loans on real estate					
31. All other affiliated					
32. TOTAL of Above Lines 26 to 31					
33. TOTAL Investment in Parent Included in Lines 26 to 31 above					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[ ] No[ ] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

ALLOCATED BY STATES AND TERRITORIES

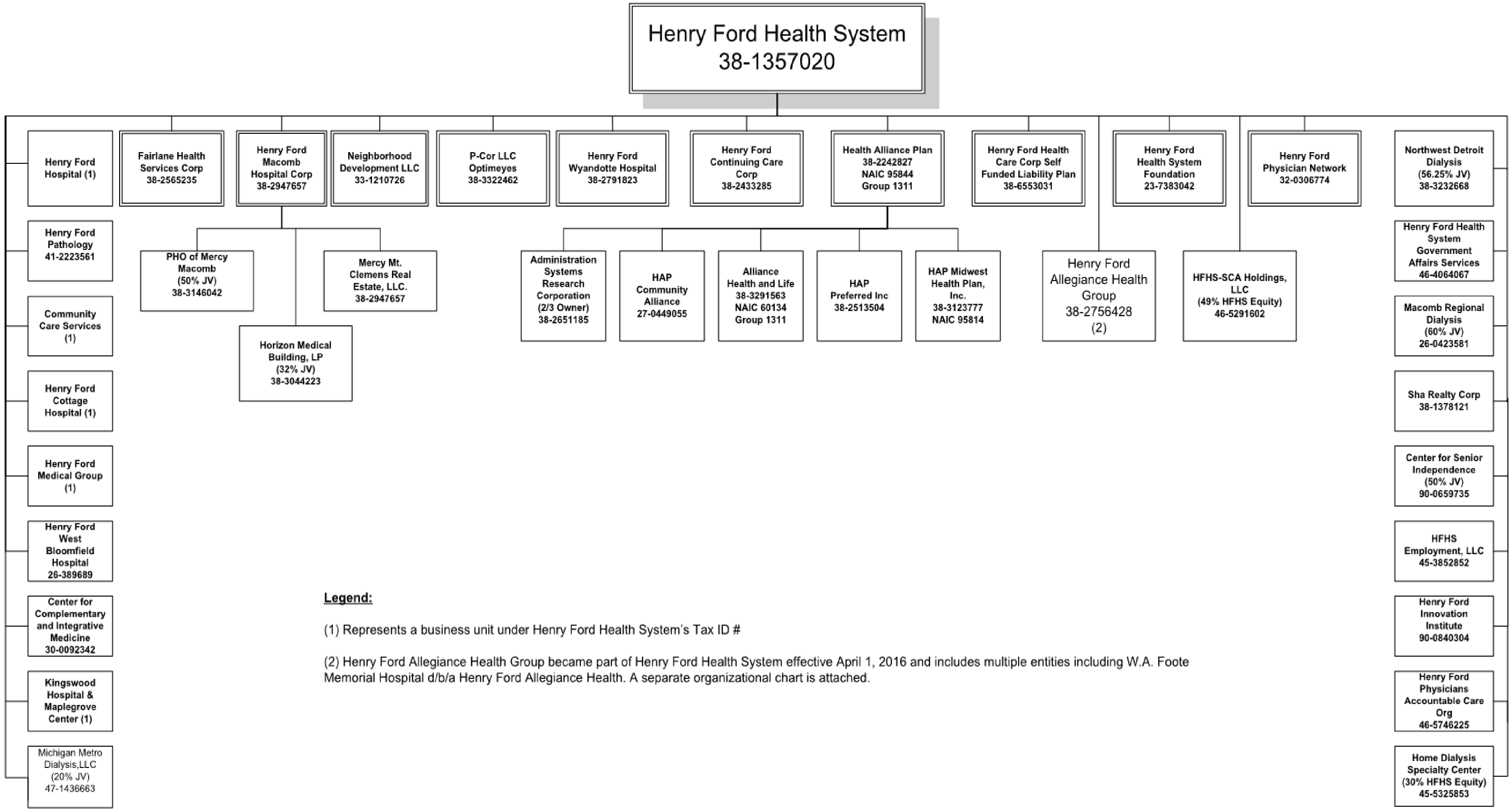
	1	Direct Business Only							
		2	3	4	5	6	7	8	9
State, Etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	L		87,099,110	36,243,933				123,343,043	
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	XXX								
59. Subtotal	XXX		87,099,110	36,243,933				123,343,043	
60. Reporting entity contributions for Employee Benefit Plans	XXX								
61. TOTAL (Direct Business)	(a) 1		87,099,110	36,243,933				123,343,043	
DETAILS OF WRITE-INS									
58001.	XXX								
58002.	XXX								
58003.	XXX								
58998. Summary of remaining write-ins for Line 58 from overflow page	XXX								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	XXX								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

Explanation of basis of allocation by state, premiums by state, etc.: HAP Midwest Health Plan, Inc. is licensed and operates only in the state of Michigan.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART



Legend:

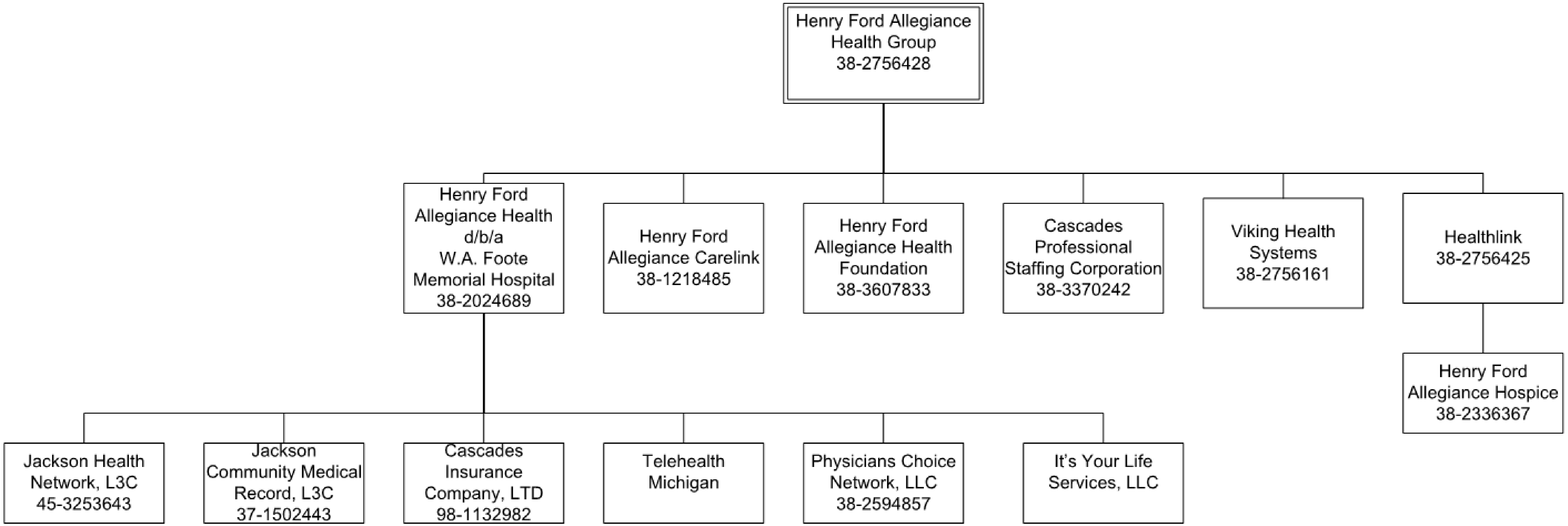
(1) Represents a business unit under Henry Ford Health System's Tax ID #

(2) Henry Ford Allegiance Health Group became part of Henry Ford Health System effective April 1, 2016 and includes multiple entities including W.A. Foote Memorial Hospital d/b/a Henry Ford Allegiance Health. A separate organizational chart is attached.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER

MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



INDEX TO HEALTH ANNUAL STATEMENT

INDEX TO HEALTH ANNUAL STATEMENT